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USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL
USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

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SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: DCS TRADING & SERVICES LIMITED, HYDERABAD, INDIA.

REF: USDOC 01383

11. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

12. On June 9, 2008, Export Control Officer (ECO) Paul Cushman and BIS FSN Shailendra Srivastava conducted a Post-Shipment Verification (PSV) at DCS Trading & Services Limited (DCS), Hyderabad.

13. BIS requested a PSV at DCS, a private sector company located in Banjara Hills, Hyderabad. DCS was listed as the ultimate consignee for a hydraulic power pump manufactured by Fluid Energy Controls Inc. (FEC) of Los Angeles, California. Export License: No License Required.

14. ECO and FSN Srivastava met with Mr. P. Satya Prasad, Director and Mr. E. Suman, Commercial Officer, DCS.

15. DCS representatives were not aware of BIS regulations and this was the first visit by BIS officials to their facility. Suman provided copies of the following documents relating to this transaction: DCS Purchase Order, FEC Invoice, Air Waybill, and a receipt for import duties paid to the Indian Customs Authority.

16. Satya Prasad explained that DCS is a trading company. So, when Sanghi Industries Limited placed an order for a hydraulic power pump with DCS, DCS procured this item from FEC. DCS then transferred this item to Sanghi Industries in Ahmedabad. Prasad stated that the pump was installed on a large earth-moving machine used for mining limestone. ECO verified the following documents relating to the transfer: Sanghi Purchase Order, DCS Proforma Invoice, DCS Invoice, a receipt from the courier company, and the Delivery Challan.

17. Prasad presented another FEC hydraulic power pump for inspection. It was procured on May 15, 2007 under FEC Invoice 212978-002. ECO recorded its serial number as 00907IA1-5188 (model PVH057R-02AA10B252000001001AA010A).

18. Established in 1996, DCS is a small trading company which supplies equipment to the construction and mining industries. DCS has nineteen employees. DCS occupies a two-story dwelling in a residential neighborhood. A security guard is on duty at the facility 24/365.

19. Recommendation: Based upon a review of documents and information provided by DCS Trading & Services Limited, it appears that this controlled technology was imported by a legitimate end-user and used in a manner consistent with the Export Administration Regulations. However, because a physical inspection of the item could not be performed and this item has been transferred to another end-user, this Post-Shipment Verification remains inconclusive.

WHITE